

The Kentucky Division of Local Government Services

State Social Security Administrator for Kentucky's Public Employers and Employees

SOCIAL SECURITY TAX INFORMATION	2002	2003	2004	2005	2006	2007	2008
EMPLOYEE & EMPLOYER RATE	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%
MAXIMUM WAGES	\$84,900	\$87,000	\$87,900	\$90,000	\$94,200	\$97,500	-----
(A) PROJECTED MAXIMUM	-----	-----	-----	-----	-----	-----	-----

(A) THE MAXIMUM WAGES SUBJECT TO SOCIAL SECURITY FOR THE NEXT CALENDAR YEAR ARE CALCULATED AND ANNOUNCED BY THE SOCIAL SECURITY ADMINISTRATION EACH FALL.

**THE PROJECTED MAXIMUM WAGES WERE OBTAINED FROM THE SSA ANNUAL REPORT OF THE FEDERAL OASDI TRUST FUNDS.*

MEDICARE TAX INFORMATION (B)	2002	2003	2004	2005	2006	2007	2008
EMPLOYEE & EMPLOYER RATE	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%

(B) PUBLIC LAW 103-82 REPEALED THE MEDICARE WAGE BASE, EFFECTIVE JANUARY 1, 1994. ALL WAGES, SUBJECT TO THE MEDICARE TAX, ARE TAXABLE.

SOCIAL SECURITY BENEFIT INFORMATION	2002	2003	2004	2005	2006	2007	2008
EARNINGS REQUIRED FOR ONE QUARTER COVERAGE	\$870	\$890	\$900	\$920	\$970	\$1,000	-----
AVG. MONTHLY SS BENEFIT FOR INDIVIDUALS	\$882	\$895	\$930	\$963	\$1002	-----	-----
AVG. MONTHLY SS BENEFIT FOR COUPLES	\$1,463	\$1,483	\$1,532	\$1,583	\$1,648	-----	-----
ANNUAL INCREASE IN BENEFITS	2.60%	1.40%	2.10%	2.70%	4.1%	-----	-----

SOCIAL SECURITY BENEFIT INFORMATION FOR THE NEXT CALENDAR YEAR IS CALCULATED AND ANNOUNCED BY THE SOCIAL SECURITY ADMINISTRATION EACH FALL.

EXEMPT AMOUNTS UNDER RETIREMENT EARNINGS TEST	2002	2003	2004	2005	2006	2007	2008
(C) UNDER FULL RETIREMENT AGE	\$11,280	\$11,520	\$11,640	\$12,000	\$12,480	\$12,960	-----
(D) MONTHS PRIOR TO FULL RETIREMENT AGE ATTAINMENT	\$30,000	\$30,720	\$31,080	\$31,800	\$33,240	\$34,440	-----
(E) MONTHS AFTER FULL RETIREMENT AGE IS ATTAINED	NO LIMIT	NO LIMIT	NO LIMIT	NO LIMIT	NO LIMIT	NO LIMIT	-----

AS OF JANUARY 2000, THE RETIREMENT EARNINGS TEST HAS BEEN ELIMINATED FOR INDIVIDUALS AGE 65-69. IT REMAINS IN EFFECT FOR THOSE BENEFICIARIES AGES 62 TO FULL RETIREMENT AGE. A MODIFIED TEST APPLIES FOR THE YEAR AN INDIVIDUAL REACHES FULL RETIREMENT AGE.

HOWEVER, EMPLOYERS SHOULD WITHHOLD SOCIAL SECURITY AND/OR MEDICARE FROM WAGES PAID THOSE EMPLOYEES PERFORMING SERVICE IN COVERED EMPLOYMENT, NO MATTER THE EMPLOYEE'S AGE OR SOCIAL SECURITY BENEFICIARY STATUS.

(C) ONE DOLLAR IN BENEFITS WILL BE WITHHELD FOR EVERY \$2 IN EARNINGS ABOVE THE LIMIT.

(D) APPLIES ONLY FOR THOSE MONTHS, IN THE CALENDAR YEAR AN INDIVIDUAL REACHES FULL RETIREMENT AGE, PRIOR TO ATTAINING FULL RETIREMENT AGE. ONE DOLLAR IN BENEFITS WILL BE WITHHELD FOR EVERY \$3 IN EARNINGS ABOVE THE LIMIT.

(E) THERE IS NO LIMIT ON EARNINGS BEGINNING THE MONTH AN INDIVIDUAL ATTAINS FULL RETIREMENT AGE.

OTHER EMPLOYER INFORMATION	2002	2003	2004	2005	2006	2007	2008
EMPLOYER PROVIDE VEHICLE: GOVERNMENT CONTROL EMPLOYEE WAGE AMOUNT THAT LIMITS USE OF COMMUTE VALUATION METHOD	\$121,600	\$125,400	\$127,300	\$131,400	\$133,900		-----
IRS STANDARD MILEAGE RATE	36.5¢	36¢	37.5¢	40.5¢/48.5¢	44.5¢	48.5¢	-----
EMPLOYER PROVIDED VEHICLE: MAXIMUM CAR VALUE WHERE CENTS PER MILE VALUATION MAY BE USED	\$15,300	\$15,200	\$14,800	N/A	\$15,000		-----
RELOCATION/MEDICAL MILEAGE RATE	13¢	12¢	14¢	15¢	18¢	20¢	-----
EXPIRATION OF STATUTE OF LIMITATIONS	4/15/2006	4/15/2007	4/15/2008	4/15/2009	4/15/2010	4/15/2011	-----
(F) ELECTION WORKER EXCLUSION	\$1,200/YR	\$1,200/YR	\$1,200/YR	\$1,200/YR	\$1,300/YR		-----

(F) THE ELECTION WORKER EXCLUSION WILL BE ADJUSTED EACH YEAR, AFTER 1999, TO REFLECT WAGE CHANGES IN THE ECONOMY. SSA WILL ANNOUNCE THE NEW THRESHOLD AMOUNT EACH FALL.

PLEASE NOTE: THIS PUBLICATION IS FOR GENERAL INFORMATION ONLY. THE MATERIAL PROVIDED WITHIN SHOULD NOT BE USED OR CITED AS AUTHORITY FOR BENEFIT OR EMPLOYMENT TAX OBLIGATIONS AND REQUIREMENTS. THE INTERNAL REVENUE CODE, THE SOCIAL SECURITY ACT AND THE KENTUCKY REVISED STATUTES, ALONG WITH REGULATIONS, REVENUE RULINGS AND CASE LAW, ARE THE ONLY VALID CITATIONS OF AUTHORITY.

